

Exhibit L

IN RE: SNYDER vs. FLORIDA PREPAID COLLEGE FUND
FILE NO.: 20151059

AUDIO TRANSCRIPTION OF
FLORIDA SENATE LEGISLATIVE
SESSION ON SB 1710

Transcribed By:
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<p>1 SENATOR OELRICH: I'm going to have to --</p> <p>2 following -- the next one is my bill, so I'm</p> <p>3 going to have to turn the chair over to Senator</p> <p>4 Ring, as the vice chair.</p> <p>5 SENATOR RING: Thank you.</p> <p>6 SENATOR OELRICH: Oh, I'm sorry. Yeah.</p> <p>7 We do need to announce, by your vote, we passed</p> <p>8 Senate Bill 2418 as amended, passes.</p> <p>9 Now, Senator Ring, would you take the --</p> <p>10 SENATOR RING: Yeah. This is a</p> <p>11 noncontroversial bill here.</p> <p>12 SENATOR OELRICH: Yeah. Okay.</p> <p>13 SENATOR RING: Tab 7, right? Senate Bill</p> <p>14 1710 is what we're on? That's the one we're</p> <p>15 on?</p> <p>16 SENATOR OELRICH: That's correct. 1710.</p> <p>17 SENATOR RING: Yes. State university --</p> <p>18 1710, state university, student fees, by</p> <p>19 Senator Oelrich.</p> <p>20 Senator Oelrich, you are recognized to</p> <p>21 explain your bill.</p> <p>22 SENATOR OELRICH: Thank you, Mr. Chairman.</p> <p>23 This is Senate Bill 1710. It's a bill to</p> <p>24 improve the undergraduate education experience</p> <p>25 for the University of Florida. This bill</p>	<p>1 university system in our state, and this is --</p> <p>2 but the University of Florida is in the best</p> <p>3 position to assume a top-ten university, and</p> <p>4 not far behind is probably Florida State</p> <p>5 University and our other universities. But by</p> <p>6 supporting this bill, the universities will</p> <p>7 overcome several huge hurdles that could</p> <p>8 hopefully propel them into the top ten.</p> <p>9 We all realize the tuition in the state of</p> <p>10 Florida in general is very much lower than</p> <p>11 anywhere in the country. We just need to give</p> <p>12 our universities the tools they need. So far,</p> <p>13 universities have done a really good job of</p> <p>14 giving us a good education, but it's really</p> <p>15 been, you know, really on the cheap. And the</p> <p>16 legislature, I hope, will recognize that they</p> <p>17 cannot continue to fund at this level, and so</p> <p>18 this is an effort to help supplement the funds</p> <p>19 that are already there to rise all boats.</p> <p>20 At the University of Florida, for</p> <p>21 instance, 95 percent of in-state students are</p> <p>22 on Bright Futures, and the household median</p> <p>23 income of the University of Florida students is</p> <p>24 \$100,000, and 25 percent of those students have</p> <p>25 a household income of \$150,000.</p>
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<p>1 authorizes the Board of Governors to delegate</p> <p>2 the University of Florida Board of Trustees the</p> <p>3 authority to establish a fee for academic</p> <p>4 enhancement. This fee would be assessed to</p> <p>5 incoming freshmen for \$500 per semester and</p> <p>6 fully phased in over a four-year period.</p> <p>7 The money generated with this program will</p> <p>8 allow the university to hire 200 more</p> <p>9 professors and 100 academic advisors. This</p> <p>10 will go a long way to improve the overall</p> <p>11 educational experience at the University of</p> <p>12 Florida.</p> <p>13 You may know that the flagship</p> <p>14 universities in the United States, the top 75,</p> <p>15 as far as collecting tuition, the tuition at</p> <p>16 the University of Florida is No. 75, followed</p> <p>17 very closely by Florida State University at 74.</p> <p>18 We want to reduce the overall</p> <p>19 student-to-faculty ratio and also increase the</p> <p>20 number of faculty -- or advisors to the number</p> <p>21 of students.</p> <p>22 This is -- over in the other side of the</p> <p>23 Capitol, over in the House, this is No. 17 of</p> <p>24 Speaker Marco Rubio's list of 100 great ideas.</p> <p>25 We have a magnificent 11-member public</p>	<p>1 So we have a situation at the University</p> <p>2 of Florida that students that could well</p> <p>3 afford -- their households could well afford to</p> <p>4 pay a little bit more of this percentage of</p> <p>5 what it costs to educate them need to step up.</p> <p>6 And so we're hoping that this will improve the</p> <p>7 overall quality not only of the University of</p> <p>8 Florida but the university system in general.</p> <p>9 They have assured me at the University of</p> <p>10 Florida that the students that are on financial</p> <p>11 aid will not have to pay, the student, the</p> <p>12 academic enhancement fee, and this will not</p> <p>13 affect Bright Futures scholarship.</p> <p>14 This year we have 25,000 students that</p> <p>15 applied to the University of Florida, and we</p> <p>16 only can take 6,000 of those. There's a high</p> <p>17 demand to get into the University of Florida,</p> <p>18 and the minimal \$500-per-semester fee will not</p> <p>19 discourage students from attending the</p> <p>20 University of Florida. If they choose not to</p> <p>21 pay the extra fee, there are ten other</p> <p>22 universities that they might attend that the</p> <p>23 students can choose from.</p> <p>24 And we get into this whole area of</p> <p>25 Prepaid. I know that you'll hear that today</p>

<p style="text-align: right;">Page 6</p> <p>1 probably that Florida Prepaid is -- has some 2 opposition to the bill. My contention upon 3 this is, is that I hope that Florida Prepaid 4 does not -- their tail does not wag the dog. 5 We need to recognize that we're going to have 6 increases in our overall educational 7 experience, that when we create a fund, that 8 fund is there for a particular purpose, and the 9 purpose of it is to help pay for students who 10 sign up to be in Prepaid and to honor those 11 contracts. And we will honor all the existing 12 contracts. 13 After the bill is passed, there will be an 14 option for purchasing contracts that include 15 the fee. I am told by Prepaid and other -- to 16 cover all the current contracts, it'll cost an 17 additional 350 million, but we're not talking 18 about all the universities. We're talking 19 about one and -- perhaps later, but we can take 20 these one at a time. 21 I've also had the numbers provided by 22 Florida Prepaid that there is \$600 million in 23 reserves in Florida Prepaid. And, here again, 24 that money is allocated by the people of the 25 state of Florida to pay exactly these types of</p>	<p style="text-align: right;">Page 8</p> <p>1 nationally in many things, and it would be 2 wonderful if we could be in that top-ten rung 3 with one of our great state universities. 4 Mr. Chairman, that's the bill. 5 SENATOR RING: Senator Oelrich, we're 6 going to temporarily postpone this bill for a 7 moment while Senator Dockery is here to present 8 her bill. 9 So you have the chair, sir. 10 (A portion of the audio was not 11 transcribed.) 12 SENATOR OELRICH: Let's show that 13 Committee Substitute 1160 passes. 14 Now I'm going to turn it back over to 15 Senator Ring so we can continue to discuss 16 Senate Bill 1710. 17 SENATOR RING: Thank you, Senator Oelrich. 18 Back on SB 1710. The bill has been 19 explained. Do we have any questions? 20 Okay. We do have a lot of public 21 testimony. So I've been asked to ask those who 22 are speaking on this issue if you would please 23 limit your discussion to just a couple minutes. 24 First is Stanley Tate. 25 Hello, sir. Thank you.</p>
<p style="text-align: right;">Page 7</p> <p>1 things. When tuition or fees go up and they're 2 included in the contract, they need to be 3 covered. And they are projected -- I 4 understand to have perhaps as much as 5 \$1 billion set aside in three years. 6 Mr. Chairman, fellow senators, by 7 supporting this bill, you have the opportunity 8 to help improve higher education and all of 9 Florida's students and all the various 10 universities that we have. We are giving them 11 an opportunity to experience a world-class 12 education. This is a chance to earn a degree 13 from the a top-ten university in the case of 14 the University of Florida. 15 And as an FSU alumni, this isn't solely 16 about the University of Florida. This is about 17 turning the corner and how we invest in the 18 university system. We want to give the 19 students of Florida to achieve the best 20 education possible, and it's about keeping our 21 best and brightest here in Florida to attend 22 college. That's why all of the other state 23 universities, without regard to any of them -- 24 there's no exceptions here -- support this 25 bill. And the state of Florida is a leader</p>	<p style="text-align: right;">Page 9</p> <p>1 MR. TATE: Thank you. 2 I don't know whether all of you know 3 anything about the Florida Prepaid College 4 Program going back to 1987. I wrote the bill, 5 the enabling legislation. I helped write it. 6 What many of you may not know is the name 7 of the program was changed last year by a bill 8 that was signed by the governor. It's now the 9 Stanley G. Tate Florida Prepaid College 10 Program. 11 Why did I write it? I wrote it because 12 the affordable nature of a college education is 13 probably the singular most important thing we 14 have to offer to those people who are residents 15 of the state of Florida who can't afford to go 16 to college. 17 You should know something about myself. I 18 entered the University of Florida when it was 19 an all-male school. It wasn't coed. It was in 20 1944. My tuition was \$100 a year. I graduated 21 from the University of Florida. 22 I wrote this program for a lot of reasons, 23 but I guess some of them were answered by the 24 comments that were contained in the bill, which 25 I wasn't aware of, and that's that you're going</p>

<p style="text-align: right;">Page 10</p> <p>1 to recognize all of the existing policyholders 2 or contract owners, the beneficiaries. The 3 House Bill isn't quite that same way. So I 4 really thank you for that recognition because I 5 think it's important. But I also think it's 6 important that you recognize that this state 7 has done a terrible job in taking care of its 8 low-income students who may want to go to 9 college. Your financial aid program is 10 probably as bad as any in the state. So if you 11 want to get awards for the lowest tuition, you 12 should also take the award of one of the worst 13 financial aid programs in the United States. 14 The minorities and the low-income 15 purchases in the Florida Prepaid Program has 16 increased every year. The statistics are here. 17 And they're amazing when you look at the 18 numbers, going back from the time of inception 19 to last year. 20 I have so many comments to make, I have to 21 apologize that I just can't do it in two 22 minutes. 23 My concern for this bill is, frankly, is 24 this is another word for tuition. Enhancement 25 is a word. It's a fee. It means that you're</p>	<p style="text-align: right;">Page 12</p> <p>1 Prepaid College Program, what are its 2 intentions, what were its intentions. The 3 truth is, we met those intentions. And we are, 4 in fact, the largest prepaid college program in 5 the United States. But more importantly, more 6 importantly, is that we've sold more in Florida 7 than every other state in the United States 8 combined. 9 Now, it is true that Florida has the 10 lowest tuition, but it's also true we're going 11 to have, in 2010, more high school graduates 12 going to college than any state in the United 13 States. 14 What does that mean for a businessman? 15 I'm a successful businessman. I could tell you 16 what it means. It means that the people I hire 17 have — I'll have a greater opportunity to 18 interview college graduates and low-income 19 college graduates. Look at your prison 20 population in Florida and you'll see that 21 94 percent of the prisons are either high 22 school dropouts or maybe high school graduates. 23 They're not college graduates. 24 By reducing the number of students that 25 are eligible to go to college because of</p>
<p style="text-align: right;">Page 11</p> <p>1 increasing the cost of tuition. 2 Now, it is true, without a doubt, in my 3 opinion, every university in the state is going 4 to want this additional charge. And I think 5 the chairman properly and aptly so stated that 6 that's probably going to be the intention. 7 Although, this bill is solely for the 8 University of Florida. 9 I'm a Gator. And I'm a big supporter of 10 the University of Florida. I'm also a trustee 11 of Saint Thomas University, which is the 12 highest diversity college in the state of 13 Florida, in fact, one of the highest in the 14 United States. 35 percent of our students are 15 in the — in our college through the Florida 16 Prepaid College Program. So you have a large 17 degree of independent colleges that will be 18 grossly affected by this increase in tuition, 19 and you'd better understand what it means for 20 the low-income minority who has to purchase 21 this program now over an 18-year payout program 22 when the child is born. That's the majority. 23 Senator King knows this probably better 24 than many of you because the senator and I have 25 had lots of discussions about the Florida</p>	<p style="text-align: right;">Page 13</p> <p>1 financial means, you will be having a major 2 economic effect on this state. This state is 3 not a rich state. This state a poor state. If 4 you want to measure the income levels, you will 5 soon recognize that there is a high percentage 6 of our population that are in the poor income 7 bracket. And that's \$50,000 a year or less. 8 I tell you, frankly, this is a very 9 important thing. And I understand why — how 10 valuable it is for the University of Florida. 11 I've tried hard to meet with Dr. Machen on 12 several occasions to find out how he's going to 13 handle the students who don't have the money. 14 Lending them the money is not a good answer. 15 It really isn't. For those of you who have 16 graduated from college and know you had debt 17 when you graduated, you know what it took to 18 get it paid off, if it was paid off. 19 This is a serious bill. It's much more 20 than it relates to the University of Florida 21 being in the top ten of the United States. 22 That has no value, no value to anyone. It 23 certainly doesn't have value to an 24 African-American kid who comes out of a 25 household who he's the only child ever to go to</p>

<p style="text-align: right;">Page 14</p> <p>1 college because his mother or grandmother saved 2 for 18 years to pay for his tuition. I could 3 tell you that \$1,000, is a huge amount of money 4 to a poor person, a huge amount of money. 5 When my father gave me the \$100 for 6 tuition, he says, get a job. Everything else 7 is on you. And I did. I worked my way at the 8 University of Florida. For those of you who 9 don't know Gainesville, I worked at the 10 Primrose Grill. I couldn't go home Christmas. 11 If I did, I lost my job. 12 You ought to think very hard and long 13 about financial aid and what this effect is 14 because you're going to have every university 15 here as soon as this bill passes. And the 16 probability is it will pass, but I think you 17 should recognize what it means to low-income 18 people, African Americans and minority, who 19 make up the highest percentage of our purchases 20 right now and this past year in the program. 21 That's what this program was designed. It was 22 designed to be an affordable education. It's 23 meaningful. It's more meaningful than being in 24 the top ten. That has no value whatsoever to a 25 college graduate.</p>	<p style="text-align: right;">Page 16</p> <p>1 And I hope you'll recognize what you're doing 2 with this bill as it relates to those who are 3 low-income people. And I have nothing more to 4 say and I appreciate the time. Thank you. 5 SENATOR RING: Thank you, Mr. Tate. Thank 6 you for the thoughtful words. 7 Questions? Yes. Senator King. 8 SENATOR KING: Just a statement. Stanley 9 Tate and I, as he has already indicated, go 10 back the entire length and breadth of my 11 political career. I was here when we first 12 created this program. And what he alluded to 13 only slightly at the end of his conversation 14 was not only did he create the Prepaid, he also 15 funded it, initially with the first \$200,000 of 16 the money that went into it. He's been a 17 long-standing champion of not only education in 18 this state but affordable education for the 19 kids of the state. 20 And, Stanley, long after you and I are 21 gone, you'll be remembered as the father of 22 this. 23 MR. TATE: Thank you very much, Senator 24 King. 25 SENATOR RING: Thank you. Well said.</p>
<p style="text-align: right;">Page 15</p> <p>1 I graduated from the University of Florida 2 when it was considered a nothing university. 3 There was only one school in the state. There 4 was no FSU. There was FSCW, which was Florida 5 State College for Women. 6 Why did I go there? It was the only 7 school I could afford. I would have loved to 8 have gone to a private college, but I couldn't 9 afford it. It was the college of only choice. 10 So I think you ought to think hard and long. 11 I know I've gone a little bit over my two 12 minutes and I appreciate your indulgence, but I 13 think in the fact that I wrote this program. I 14 have \$545,000 of my own money in this program. 15 My own money. \$545,000. And I could tell you, 16 this program touches my heart. It's a legacy. 17 It's very meaningful. 18 My grandson wrote a letter. He lives in 19 Illinois, Winnetka, Illinois. He was asked to 20 write about the person he admires the most. My 21 daughter sent it to me. I didn't know about 22 it. And he said, I admire my grandfather the 23 most, Stanley Tate, because he taught me what 24 it means to give back. 25 I give back. It's important to give back.</p>	<p style="text-align: right;">Page 17</p> <p>1 Any other questions for Mr. Tate? 2 Next speaking for the increase, Carolyn 3 Roberts from the Board of Governors. 4 MS. ROBERTS: Chairman Oelrich, our 5 distinguished members, thank you for having me 6 today. 7 I'm very briefly here to speak in favor of 8 this bill. The president, President Machen, 9 had a commitment from one year ago at a 10 national conference today, and he asked my 11 advice on missing this very important meeting 12 for the University of Florida. And my advice 13 was him to keep his word because that's what we 14 want in our president. So he apologizes for 15 not being here today. 16 I speak in favor of this bill because I 17 know quality does count in our state. And to 18 have a great state, you need a great university 19 system. University systems are pulled up from 20 the top, and to be recognized nationally is 21 very important. 22 The University of Florida, in fact, with 23 this amount of money will still be a long way 24 from where we need to be. But more important 25 than for the University of Florida, this is</p>

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1 important for the system.

2 This was unanimously passed by the Board
3 of Governors because we feel that it is not
4 only wonderful for the University of Florida
5 but for the state university system. Our
6 system is of great value to all our citizens
7 and I appreciate so much and thank Mr. Tate.
8 He is certainly a great Floridian, but many of
9 us give a great deal of our time. And I do
10 believe that when people in this state, young
11 people and that we are educating -- and I hope
12 educating well -- I do believe quality counts.
13 And I look forward to our universities being
14 competitive and the best in the nation, so I
15 ask you very much to vote in favor of this
16 bill. And I'm available for any questions and
17 I'll be in the room if you have any.

18 SENATOR RING: Any questions?
19 Senator Justice?

20 SENATOR JUSTICE: Ms. Chairman, and this
21 might be for you or for the sponsor. We've all
22 talked about it being a University of Florida
23 bill, but the bill doesn't actually specify UF.
24 It could be any university in the state; is
25 that correct?

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1 UNIDENTIFIED SPEAKER: That's correct.

2 MS. ROBERTS: It was passed by the Board
3 of Governors for a specific university for a
4 specific use: For undergraduate, faculty, and
5 for advisors. That's how it was passed out of
6 the Board of Governors. I can only speak for
7 our board.

8 SENATOR RING: Thank you, Ms. Chairman.
9 It was passed by your Board of Governors as
10 potential for University of Florida, but you
11 could pass it next month for --

12 MS. ROBERTS: No. Well, we passed it for
13 this one university, for the specific use. I
14 don't know of any -- any movement at this time
15 for any other universities but, certainly, if
16 that were the case, it would be everything to
17 deal with that we are dealing with on this
18 issue. Our board, we did it specifically for
19 one university at this time.

20 SENATOR RING: Thank you.

21 MS. ROBERTS: Thank you very much.

22 SENATOR RING: Any other questions for
23 Chairwoman Roberts?

24 Okay. Next, speaking in favor, Jack
25 Sullivan from the Florida Research Consortium.

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1 MR. SULLIVAN: Mr. Chair, our university
2 has had two products: Research and knowledge
3 they transfer to our students. And I can tell
4 you I'm just tickled pink with the bill that
5 you have passed today. But a critical element
6 to getting those technologies out in the
7 marketplace are kids who are knowledgeable and
8 know how to operate them. And we have to have
9 quality universities to do that. We cannot
10 continue to operate with low tuition as we have
11 in the past. This is a critical element for
12 the success not only of the University of
13 Florida but all of Florida's universities.
14 Thank you.

15 SENATOR RING: Thank you.

16 Any questions? No?

17 Next, Chancellor Mark Rosenberg,
18 chancellor of Florida universities.

19 MR. ROSENBERG: Good afternoon. Thank you
20 very much. I would like to compliment first
21 Mr. Hoepner of Florida Prepaid for his
22 understanding about the relationship between
23 funding and quality. I found Mr. Hoepner to be
24 open-minded and flexible in thinking through
25 the challenges that we share mutually about how

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1 not only to continue to provide access on one
2 hand but on the other to provide a degree that
3 is worth something for our graduates, not just
4 today but in the future. So I, first of all,
5 would like to thank Mr. Hoepner for his
6 open-mindedness in this exercise.

7 Second of all, I would like to say that
8 quality does matter because we cannot hire the
9 best faculty -- and we think that you expect
10 that of us -- unless we can afford the salaries
11 and unless we can afford the classroom space
12 and teaching opportunities that the resources
13 provide. If I can't get the best faculty, then
14 I can't provide the best education. And if I
15 can't provide the best education, then whether
16 you're a Prepaid holder or not, you will not be
17 competitive in the global labor market. That
18 is why we support this bill. Thank you.

19 SENATOR RING: Chancellor, I have a
20 question. Can you say definitively that this
21 will not compromise the Prepaid contracts?

22 MR. ROSENBERG: Well, I'd like to
23 acknowledge at the outset and I have been
24 reminded on many occasions by my colleagues
25 that I'm not an actuary. However, I can read

6 (Pages 18 to 21)

<p style="text-align: right;">Page 22</p> <p>1 numbers and I understand trends and tendencies, 2 and it's my best judgment that this decision 3 will not at all compromise the Prepaid program. 4 SENATOR RING: Thank you. 5 Other questions? 6 SENATOR CONSTANTINE: Senator Ring? 7 SENATOR RING: Yes. Senator Constantine? 8 SENATOR CONSTANTINE: Chancellor, I 9 appreciate this and appreciate your comments, 10 and we talked about it. 11 So let's put a scenario together, okay? 12 This doesn't compromise the Prepaid. What 13 happens if one more university asks for it or 14 another university? Let's just go with one 15 more. When does it start compromising the 16 Prepaid program? 17 MR. SULLIVAN: Our assessment is that -- 18 first of all, as Madam Chair Roberts pointed 19 out, this initiative is focused on the 20 University of Florida and that if other 21 universities were to request this, the board 22 would look very carefully at their -- at the 23 suitability for this initiative, for these 24 universities, and it would look very carefully 25 at the accountability and the return on</p>	<p style="text-align: right;">Page 24</p> <p>1 independent of the authority of the Board of 2 Governors. So we recognize that you have your 3 prerogatives, but our interpretation is that 4 the Board of Governors, by the constitutional 5 amendment, does have responsibility to operate 6 and manage the system and the universities. 7 SENATOR RING: Are there other questions 8 for the chancellor? 9 SENATOR OELRICH: Yes. I do. 10 SENATOR RING: Yes? Senator Oelrich? 11 SENATOR OELRICH: Thank you, Mr. Chairman. 12 Chancellor, am I correct in assuming that 13 all the other ten universities are supportive 14 of this issue? 15 MR. ROSENBERG: Yes. We've had 16 significant, serious and sustained discussions 17 about that. We understand what is at stake 18 here. We understand how important it is to 19 preserve Prepaid, but we're also committed to 20 advancing the system and to improving the 21 quality for our graduates, but they do -- they 22 have agreed to understand this is a pilot for 23 the University of Florida. 24 SENATOR RING: Any other questions? 25 Okay. Thank you. Thank you,</p>
<p style="text-align: right;">Page 23</p> <p>1 investment. We believe that there may be one 2 or two other universities at this point that at 3 some point in the future might be interested in 4 this initiative and we would look at that. 5 At what point does it compromise? I think 6 we would want you and Prepaid to look very 7 closely at the reserves and to understand what 8 the minimum reserve level could be for Prepaid 9 to sustain itself into the future because we 10 see Prepaid as an asset. And so, therefore, 11 our presumption is that what we would be doing 12 ultimately would not be harming it. We believe 13 in the access component that Mr. Tate has 14 referred to. 15 SENATOR RING: Anything else? No? Okay. 16 I have more of a technical question for 17 staff. Can the universities bypass the Board 18 of Governors and come right to the legislature 19 for their fee increase if the board were not to 20 recommend the fee increase? 21 MR. ROSENBERG: No. 22 SENATOR RING: No. They've got to go 23 through the board. 24 MR. ROSENBERG: Yes, sir. Now, however, 25 having said that, the legislature is</p>	<p style="text-align: right;">Page 25</p> <p>1 Mr. Chancellor. 2 MR. ROSENBERG: Thank you. 3 SENATOR RING: Ted Hoepner for Florida 4 Prepaid. 5 MR. HOEPNER: Thank you, Mr. Vice 6 Chairman. Thank you, Mr. Chairman. Thank you, 7 committee members. 8 I'm pleased to be able to present before 9 you today. Two minutes is going to be 10 difficult. I'll try. Let me first introduce 11 myself as the chairperson of Florida Prepaid. 12 I'd also like to mention that I have some 13 individuals with me today, Tom Wallace, who is 14 executive director; Bill Nichols, head of 15 operations for Prepaid. We also have Diana 16 Hurth, who is our marketing director; Phil 17 Blank, who is our general counsel. And we have 18 brought Seth Harlow, who is our actuary from 19 Ernst & Young, and he's here to answer 20 questions because much of this has to do with, 21 in fact, what will these fees do were Florida 22 Prepaid have to pay these fees one way or 23 another. 24 And I won't bore you with a lot statistics 25 about Florida Prepaid. I think you know those.</p>

<p style="text-align: right;">Page 26</p> <p>1 We've been around to see most of all of you or 2 all of you.</p> <p>3 Let me just go back to November when we 4 first heard of this. We were surprised. We 5 took it up at our December 7th board meeting. 6 And at that time, the board of Florida Prepaid 7 adopted a resolution that supported this 8 legislation with the proviso, however, that the 9 current contract holders and the board itself 10 be exempt from paying the fee. It's very 11 specific: Both the board and existing contract 12 holders. The third part was to open a new era 13 with the universities and with the 14 legislature -- the link, if you will, some of 15 this -- and allow us to sell a new contract 16 that would allow for that contract to pay in 17 the future academic enhancement fees that new 18 contract holders would purchase.</p> <p>19 Basically, as we understand Senate Bill 20 1710, there's no specificity relative to a 21 university. That is to say, it just says a 22 university. It doesn't say University of 23 Florida. We think that should be changed. 24 That's our view. 25 We also note that there is no specific</p>	<p style="text-align: right;">Page 28</p> <p>1 period of time, and it's all based on 2 projections. To give you an idea, 1 percent 3 change in interest rates will cost us 4 \$480 million. You're all very knowledgeable 5 about interest rates today because it's in the 6 press every day. This last year we estimated 7 that we would have a 530 yield on our 8 investments. Our ten-year bond rate is 450 9 right now. We add ten for a de-enhancement on 10 our immunization fund, so we're 70 basis points 11 off. That starts to be a very significant -- 12 something like \$400 million is very 13 significant, is a reduction in that actuarial 14 reserve. Again, it's numbers. It's 15 projections and that sort of thing.</p> <p>16 Let me cut to the chase. The Florida 17 College Board believes it's obligated to deal 18 with this enhancement fee either through an 19 exemption or paying it. We cannot break the 20 deal with the contract holders. You know, you 21 and we -- we believe have an obligation to 22 those existing contract holders. We guaranteed 23 them their tuition. We can't break that. 24 We believe that the solution is simple. 25 It's to exempt both the board and the contract</p>
<p style="text-align: right;">Page 27</p> <p>1 exclusion for our contract holders. There is 2 an exclusion for the fund itself to be exempt. 3 However, it's our counsel's view that if there 4 is litigation, which we believe there will 5 be -- we believe there will be a class action 6 suit -- this will be found to be tuition. If 7 it's found to be tuition by the documents, our 8 contracts with our contract holders, we will be 9 held liable to pay.</p> <p>10 Okay. Then we get into the numbers 11 because if we back into this issue where we've 12 got to pay, then what are we going to pay? 13 Well, if it's only the University of Florida, 14 according to our calculations, Ernst & Young 15 doing the work, the liability would be in the 16 order of magnitude of \$326 million over the 17 life of the existing contracts because we'll 18 sell new contracts. We can take care of that. 19 It's just the existing contracts, 326 million.</p> <p>20 Today we've got a \$586 million actuary 21 reserve. This is not a bank account. This is 22 not money where we can just dip into it. And 23 if you go back and think about what is an 24 actuary reserve, it's the difference between 25 the assets and the liabilities out over that</p>	<p style="text-align: right;">Page 29</p> <p>1 holders, allow us to introduce a new contract 2 for future sales. At the end of the day, a 3 promise is a promise. We ask you to support us 4 in that regard.</p> <p>5 As Mr. Rosenberg -- Dr. Rosenberg has 6 indicated, trying to be cooperative. We want 7 quality education, but we've got to meet these 8 contracts. We've got a contractual obligation. 9 We want to make sure that you, as our policy 10 makers, understand that obligation.</p> <p>11 And, finally, we have an obligation to our 12 contract holders, ultimately, to let them know 13 how this is proceeding because the press is 14 picking this up. You're getting e-mails. 15 We're getting e-mails. And we want to deal 16 with it in a proper manner. So we're very 17 hopeful that you'll recognize their concerns 18 and our concerns. We're available for 19 questions.</p> <p>20 SENATOR RING: Senator King? 21 SENATOR KING: Let's play worst-case 22 scenario. Let's say that the interest rate 23 changes dramatically for the worse or that 24 investment strategy doesn't turn out to leave 25 you the actuarial surplus that you have. And</p>

8 (Pages 26 to 29)

<p style="text-align: right;">Page 30</p> <p>1 let's take it even much further and say you 2 can't meet the obligation that the contracts 3 that you have outstanding. Who's responsible, 4 if anybody, for fulfilling the contracts that 5 might be unexpired? 6 MR. HOEPNER: The State of Florida. The 7 legislation has the full faith and credit of -- 8 SENATOR KING: Full faith and credit -- is 9 us. 10 MR. HOEPNER: It's you. 11 SENATOR KING: It's the State. 12 MR. HOEPNER: It is the State. You are 13 the backbone of the program. That's the way 14 the legislation is written. 15 SENATOR KING: And if it weren't met -- 16 I'm not a lawyer, something I've been proud of 17 all my life. But if -- if it weren't met, 18 wouldn't there be a cause for legal action by 19 those kids and parents who were told one thing 20 and are not going to be able to get that done? 21 MR. HOEPNER: We believe there would be a 22 cause of action. There's already been, 23 frankly, threatened a cause of action were we 24 to pass Senate Bill 1710 as written. 25 SENATOR KING: Already, you've been told.</p>	<p style="text-align: right;">Page 32</p> <p>1 different contracts in existence. One is for 2 tuition. One is for certain fees that are not 3 related to tuition or academic enhancement. 4 And then there are dormitory fees. There are 5 so many fees at the universities these days. 6 We cover most of the larger, but there are 7 several others. 8 It's, frankly, interesting that tuition 9 only represents about 17 percent of what it 10 costs to go to a university today, according to 11 the studies that we've had done. And if you 12 take all three of the forms of contracts that 13 we sell, it's about half of all of the costs. 14 Books. I mean, you-all will be looking at a 15 bill that has to do with the sales -- sales tax 16 on books. And books, they're talking about 500 17 and \$1,000 a semester for books, kids today. 18 So there's a lot -- I would defer to 19 staff. 20 What other fees are not covered? Could 21 you answer that, Tom? 22 MR. WALLACE: They're primarily 23 administrative-type fees. Transportation -- 24 SENATOR KING: Sir, you need to talk to 25 the front. It's recording. Please.</p>
<p style="text-align: right;">Page 31</p> <p>1 MR. HOEPNER: We have been told if that 2 bill passes the way it's been written, there 3 will be a class action suit. Yes, sir. 4 SENATOR KING: Thank you. 5 SENATOR KING: I have a question. You 6 shouldn't say class action suit. There's a 7 whole bunch of attorneys in the room. 8 MR. HOEPNER: They're all smiles. 9 SENATOR KING: Yeah. Right behind you 10 there. It may say here somewhere in this 11 analysis. What is the percentage of students 12 at UF on Prepaid? 13 MR. HOEPNER: Currently, about 22 -- 14 29 percent of the students on the incoming 15 class we believe will be Prepaid, okay, the 16 first class that comes in. That's actually 17 been dropping every year. But it's 18 currently -- it'll be 29 percent. 19 SENATOR KING: And could you just tell me 20 again, just to -- we went over this a little 21 bit previously in my office, but what are some 22 of the fees that you're not responsible for? 23 MR. HOEPNER: Well, there's a whole list 24 of other fees that people can buy contracts to 25 cover currently. We basically have three</p>	<p style="text-align: right;">Page 33</p> <p>1 MR. WALLACE: Thank you, Mr. Chairman. 2 My name is Tom Wallace. I'm the executive 3 director of the Prepaid College Board. 4 There's a list of other 5 administrative-type working, application fees, 6 parking fees, library fees, access fees. I 7 don't have them committed to memory. But in 8 the statute -- and I'm sure there's folks here 9 from the Board of Governors that could be more 10 specific. Anyone want to jump in? Some other 11 types? But they're primarily administrative. 12 SENATOR KING: Okay. Thank you. 13 Any other questions? 14 Senator Oelrich? 15 SENATOR OELRICH: Thank you, Mr. Chairman. 16 I've got -- just got a question where you 17 came up with this 300-and-something million 18 dollar cost, that it was going to cost. Is 19 that initially? 20 MR. HOEPNER: No, no, no. That would be 21 over the 18-year period of time. Just the 22 actuarial reserve is over the period of 24 23 years, actually. The cost to the contract 24 holders over that period of time -- we've got 25 700-odd contracts -- 700,000 contracts. And of</p>

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1 that, about -- well, a fraction go to the
2 University of Florida. About 22 percent go to
3 the University of Florida of the total
4 contracts that we hold. And then we project it
5 out, our actuary did, what it would cost to our
6 fund. And over that 24 years, it would be
7 about \$326 million.

8 SENATOR RING: For everyone.

9 MR. HOEPNER: For the University of
10 Florida only. If you take it on to all of the
11 universities, it's about, 1,400,000,000.

12 SENATOR OELRICH: Sure. Okay. So we're
13 only talking about the University of Florida
14 here and --

15 MR. HOEPNER: We are --

16 SENATOR OELRICH: If you say -- excuse me.
17 If you say that there's some 10,000 students at
18 the University of Florida that are currently
19 under Prepaid and that this would entail
20 another \$1,000 cost, wouldn't that work out to
21 about \$10 million?

22 MR. HOEPNER: The University of Florida
23 student body freshmen, as I understand it, is
24 about 6,000.

25 SENATOR OELRICH: Right.

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1 SENATOR OELRICH: Mr. Chairman, a
2 follow-up on that. I'm interested to hear what
3 your philosophy of the Florida Prepaid is, as
4 to whether it's -- it's a fee or -- I'm
5 sorry -- a fund to help fund students to go to
6 our university system, or is it an entity in
7 itself; meaning, let's get as much money in
8 this fund as we possibly can and hold onto it,
9 make it bigger and bigger and bigger, and be
10 very reluctant when we're going to have to
11 spend it?

12 MR. HOEPNER: Mr. Tate was here earlier.
13 He was quite eloquent in what he said about why
14 the fund was developed. It was developed to
15 allow Floridians -- over 1,200,000 contracts
16 have been sold to Floridians for the purpose of
17 going to school, making it affordable.
18 35 percent of all of those that have signed up
19 are minorities. 59 percent are people with
20 incomes under \$70,000.

21 What we're trying to do, as a Florida
22 board of Prepaid, is to ensure that we don't
23 become a liability to you, the legislature, at
24 a time when you need general revenue. So we
25 are trying desperately to protect and be a good

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1 MR. HOEPNER: And if -- well, the numbers
2 I've been given by the Board of Governors -- in
3 the University of Florida is, if this is fully
4 implemented, once four or five years have gone
5 by, the ticket on this to them is about
6 \$36 million. That's their revenue. We would
7 buy -- what we're asking, say, that one --
8 well, about 30 percent -- call it 30 percent,
9 29 percent -- would be exempt from paying that.
10 So it would reduce the 36 million by
11 30 percent, roughly. That would be about the
12 difference.

13 Said another way, 70 percent would be
14 paying it. The University of Florida would be
15 getting that extra revenue. We believe that's
16 a substantial increase. And if you look at the
17 tuition, which this really is, it represents
18 about a 50 percent increase in what you're
19 charging youngsters for tuition. And when we
20 start looking at it from that point of view, we
21 think that we've taken quite a step towards
22 compromise and towards trying to improve the
23 quality of education for Floridians that are so
24 fortunate as to go to the University of
25 Florida.

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1 fiduciary of our contract holders' money. This
2 is, after all, not the money that was put in
3 there by the government. This is hard-earned
4 dollars from good citizens of this state.

5 So we're not quite the same as an agency
6 because all these dollars have been collected.
7 Many, many of our people are putting in over
8 213 monthly payments at \$84 per month. And to
9 not -- and to disregard the contract that we
10 have with them, to me, is very difficult to
11 imagine as a businessman.

12 SENATOR OELRICH: Follow up to that.
13 Response to that.

14 SENATOR RING: Yes.

15 SENATOR OELRICH: Well, I am one of those
16 contract holders, and I have no intention of
17 not to honor those contracts. We expect that
18 if we are successful in passing this bill, that
19 it'll be taken and absorbed by the Florida
20 Prepaid.

21 MR. HOEPNER: Sir, that's not the way the
22 bill is written, according to our legal
23 counsel.

24 SENATOR OELRICH: Well, we'll have another
25 speaker come up and address that.

10 (Pages 34 to 37)

<p style="text-align: right;">Page 38</p> <p>1 SENATOR RING: Anything else? Senator</p> <p>2 Constantine?</p> <p>3 SENATOR CONSTANTINE: Thank you. We've</p> <p>4 got five other speakers, so I'm going to keep</p> <p>5 this brief. But, Mr. Hoepner, it's good to see</p> <p>6 you again. Thank you for coming. Even after</p> <p>7 you left Orlando and went to Atlanta, you</p> <p>8 stayed involved in Florida and the children of</p> <p>9 Florida. And it's good to have you back as a</p> <p>10 citizen of the state of Florida and it's good</p> <p>11 to see you.</p> <p>12 You know, it's something that Mr. Tate</p> <p>13 said and then you shifted it over, and I just</p> <p>14 want to get this. And I'm going to say some</p> <p>15 things later. Let's just assume that it's</p> <p>16 30 percent contract holders from the University</p> <p>17 of Florida. So you're dealing, from their own</p> <p>18 numbers, \$8.2 million that would be generated a</p> <p>19 year. So now we're dealing with 5.2 million</p> <p>20 that we've generated a year, which would be</p> <p>21 3 million that would have to be, you know -- of</p> <p>22 the 30 percent would be the current contract</p> <p>23 holders. You were concerned that they be</p> <p>24 exempt.</p> <p>25 MR. HOEPNER: Yes, sir.</p>	<p style="text-align: right;">Page 40</p> <p>1 of Florida --</p> <p>2 SENATOR CONSTANTINE: It would still be</p> <p>3 two hundred twenty, sixty, eighty million</p> <p>4 something.</p> <p>5 MR. HOEPNER: So it knocks it back some</p> <p>6 300-odd million dollars in actuarial reserves.</p> <p>7 Again, not money in the bank. Actuarial</p> <p>8 reserve.</p> <p>9 Now, to answer your original question,</p> <p>10 we're equally concerned. We're very concerned</p> <p>11 about access and affordability. We also</p> <p>12 believe that what Ms. Roberts, Chairman Roberts</p> <p>13 said, what Chancellor Mark Rosenberg said, that</p> <p>14 there will be provision at the universities so</p> <p>15 that those that don't meet the income levels</p> <p>16 will have this fee waived. So I haven't</p> <p>17 addressed that piece of it. We're accepting</p> <p>18 that and, frankly, changing the historic view</p> <p>19 of the Florida Prepaid altogether.</p> <p>20 Historically, Florida Prepaid would be</p> <p>21 against this whole thing flat out. And we're</p> <p>22 not there at all. We're trying to establish a</p> <p>23 way that you can start to decouple and get this</p> <p>24 tail that's wagging the dog that was spoken of</p> <p>25 earlier. You know, somebody said that Florida</p>
<p style="text-align: right;">Page 39</p> <p>1 SENATOR CONSTANTINE: But Mr. Tate was</p> <p>2 concerned about more in his speech, about those</p> <p>3 that are, you know, minority, you know, poor,</p> <p>4 you know, less fees and everything. If -- as</p> <p>5 opposed to the current fee holders, which would</p> <p>6 be more important, the current fee holders that</p> <p>7 would be exempt or those below a certain level</p> <p>8 like 200 percent, the poverty level being</p> <p>9 exempt? Which would be more important as a</p> <p>10 philosophy in your eyes, saying that, you know,</p> <p>11 if you -- you're dealing with, you know, an</p> <p>12 actuary right now, if it was just the</p> <p>13 University of Florida, as you indicated, of</p> <p>14 about -- your numbers would go down to reduced</p> <p>15 to 586 million if just the University of</p> <p>16 Florida was part of it.</p> <p>17 That's what it says right here. You're at</p> <p>18 1.4 billion, but it would be 586 million, which</p> <p>19 would still be a reduction to 864 million in</p> <p>20 the negative if it was, you know, all 11</p> <p>21 universities.</p> <p>22 MR. HOEPNER: Systemically, it would cost</p> <p>23 us a billion four. We've got a reserve. That</p> <p>24 would knock our reserve into the negative</p> <p>25 800-odd million. If it's just the University</p>	<p style="text-align: right;">Page 41</p> <p>1 Prepaid was the tail that was wagging the dog.</p> <p>2 Well, we're not the tail that is wagging the</p> <p>3 dog. We're an excellent service to the</p> <p>4 citizens of this state, and we want to continue</p> <p>5 to be. But we can end up being a heck of a</p> <p>6 problem for the state's revenue if we continue</p> <p>7 on the basis we're going.</p> <p>8 SENATOR CONSTANTINE: I'd like to ask your</p> <p>9 auditor something, from Ernst & Young.</p> <p>10 My question is, I mean, obviously, very</p> <p>11 plainly, can Prepaid absorb the cost of the</p> <p>12 University of Florida fee?</p> <p>13 MR. HARLOW: By our analysis, it would be</p> <p>14 300-and-some-million-dollar hit to the</p> <p>15 actuarial reserves, which would leave a reserve</p> <p>16 along the lines of 200 million, keeping in mind</p> <p>17 that from year to year, based on a bunch of</p> <p>18 factors, including new contract sales, how</p> <p>19 tuition is increasing, the changes in interest</p> <p>20 rates also have effects that can swing that</p> <p>21 number on the magnitude of hundreds of</p> <p>22 millions.</p> <p>23 SENATOR CONSTANTINE: Okay. So, then,</p> <p>24 just to be clear about that, so if this bill</p> <p>25 passes and if interest rates go up 1 percent,</p>

<p style="text-align: right;">Page 42</p> <p>1 then you're in debt.</p> <p>2 MR. HARLOW: Down 1 percent.</p> <p>3 SENATOR CONSTANTINE: Down 1 percent, I</p> <p>4 mean. I'm sorry. You're in debt.</p> <p>5 MR. HARLOW: That's likely to be the case.</p> <p>6 SENATOR CONSTANTINE: Okay.</p> <p>7 SENATOR RING: Any other questions?</p> <p>8 Senator Oelrich?</p> <p>9 SENATOR OELRICH: Chairman, I just want</p> <p>10 to -- is that 300 right at the onset, or aren't</p> <p>11 we talking about over 18 years?</p> <p>12 MR. HARLOW: That's a value as of today</p> <p>13 for the entire projection. So we're looking at</p> <p>14 all students that may start between now and --</p> <p>15 all students who currently own contracts.</p> <p>16 SENATOR OELRICH: At the University of</p> <p>17 Florida.</p> <p>18 MR. HARLOW: That would go to the</p> <p>19 University of Florida. Correct, sir.</p> <p>20 SENATOR OELRICH: But it is over how long</p> <p>21 of a period of time?</p> <p>22 MR. HARLOW: I believe it's about 24-year</p> <p>23 period of time.</p> <p>24 SENATOR OELRICH: Twenty-four years.</p> <p>25 Okay.</p>	<p style="text-align: right;">Page 44</p> <p>1 start to make change, unless you-all want to</p> <p>2 tell me that we're going to have 9 percent</p> <p>3 interest rates again, because that's the only</p> <p>4 way we can indemnify it.</p> <p>5 I hope that was helpful.</p> <p>6 SENATOR RING: Any other questions?</p> <p>7 Thank you. We'll move on. Thank you.</p> <p>8 MR. TATE: Can I make a comment? I know I</p> <p>9 wasn't called on, but you should know that that</p> <p>10 yield happened because I was president of the</p> <p>11 Resolution Trust Corporation, which was the</p> <p>12 federal agency that closed 1,200 banks in the</p> <p>13 United States, because when we funded that</p> <p>14 agency, federal, it did not say guaranteed by</p> <p>15 the United States government. Those bonds came</p> <p>16 on the market at 8 and a half percent and was</p> <p>17 sold at a discount. We bought almost a billion</p> <p>18 dollars of those bonds, and our effective yield</p> <p>19 was about a little less than 10 percent. Those</p> <p>20 bonds are rapidly depleted. I don't remember</p> <p>21 how much we have left but not much. That's</p> <p>22 what built up that yield to 9 percent. But</p> <p>23 that percentage is going down every year. So</p> <p>24 the actuarial reserve is also going to go down</p> <p>25 every year. There's no question it's got to go</p>
<p style="text-align: right;">Page 43</p> <p>1 SENATOR RING: Okay. Any other further</p> <p>2 questions of Mr. Hoepner?</p> <p>3 Yes. Senator King.</p> <p>4 SENATOR KING: How long did it take to get</p> <p>5 the 500 million that you have in reserve now?</p> <p>6 Isn't that over the life of Prepaid?</p> <p>7 MR. HOEPNER: The answer to it is, is that</p> <p>8 that's the most current number. Every year we</p> <p>9 recalculate. Currently, it's 9 percent. It's</p> <p>10 been as low as 3 percent. It's been as high as</p> <p>11 18 percent. That number moves very</p> <p>12 dramatically based on everything, but it's a</p> <p>13 19-year accumulation of reserves through, I</p> <p>14 think, a very prudent management of the money.</p> <p>15 Having said that, we historically have</p> <p>16 enjoyed a 9 percent interest rate, okay? If</p> <p>17 you take that 19-year period of time, we've</p> <p>18 averaged a return of 9 percent on our</p> <p>19 investment portfolio. Our investment portfolio</p> <p>20 is literally 90 percent bonds. Today, you're</p> <p>21 looking at a 4-and-a-half percent interest</p> <p>22 rate, one-half. So to be able to continue to</p> <p>23 hold a reserve like that, in my mind, is very</p> <p>24 problematical. And I believe that we're going</p> <p>25 to be looking at difficulty in this if we don't</p>	<p style="text-align: right;">Page 45</p> <p>1 down because the current yield is 9 percent,</p> <p>2 but that's based on a depleting asset because</p> <p>3 those bonds have a call date. And when they're</p> <p>4 sold or redeemed by the federal government --</p> <p>5 and they are -- the yield's going to go down.</p> <p>6 As that yield goes down, the actuarial will</p> <p>7 tell you, that reserve goes down also. So that</p> <p>8 560 million is just a number. It really isn't</p> <p>9 money you can touch. I think the chairman</p> <p>10 really aptly stated it. It hasn't got any</p> <p>11 real -- real value to it.</p> <p>12 This program was designed prudently --</p> <p>13 we're the only program in the country that has</p> <p>14 an immunized portfolio. For those of you who</p> <p>15 don't know what immunization is, our entire</p> <p>16 yield is based upon the requirements of funding</p> <p>17 so that the State never had to come up with any</p> <p>18 money.</p> <p>19 SENATOR RING: Sir, thank you. We need to</p> <p>20 move on.</p> <p>21 Okay. President T.K. Wetherell,</p> <p>22 University of Florida [sic]?</p> <p>23 Anyone else want the chair?</p> <p>24 FSU.</p> <p>25 MR. WETHERELL: Mr. Chairman, I do find</p>

<p style="text-align: right;">Page 46</p> <p>1 myself in unchartered territory today. I am 2 here to speak in support of the Board of 3 Governors and the University of Florida. A new 4 experience. 5 I really tried to figure out a way to 6 frame this where it would maybe make a little 7 bit more sense to someone like me with only a 8 degree from Florida State. 9 Two years ago, Florida State played Penn 10 State University in the Orange Bowl. We showed 11 up down there with 85 players, nine coaches, 12 seven footballs, same number of helmets, same 13 number of shoulder pads, same number of 14 managers. Everything was the same between us 15 and Penn State. Last year, the University of 16 Florida showed up to play Ohio State. Same 17 number of coaches, same number of everything. 18 Everybody figured that's a fair fight. Let the 19 hair go with the hide, as they say. Florida 20 came out a little better than we did. We had a 21 living legend. Penn State had a living legend. 22 The fact of the matter is, nobody 23 complained about the results of those games 24 because the playing field was level. Each team 25 had the same opportunity to win or lose. No</p>	<p style="text-align: right;">Page 48</p> <p>1 some tuition. I think what the University of 2 Florida is saying is let me at least be on a 3 level playing field. 4 Now, I'm not real good at math and maybe 5 they're better than me, but even if you add 6 this to it, Florida's tuition is about \$3,200. 7 This will move it up to \$4,200. That's still 8 \$1,000 below the median for the rest of the 9 nation. 10 Florida's tuition program, regardless of 11 which state university you select, is well 12 below the national average. Students from out 13 of state can come to the state of Florida and 14 get an education cheaper than they can get one 15 in their own state. We are a good deal even 16 with this. 17 Now, Mr. Tate and I have known each other 18 for 30 years. He is a friend of old standing. 19 He is correct that he passed the bill in 1988. 20 The rest of that story is, I had a little bit 21 to do with it because I was the appropriations 22 chairman in 1988. Ray Liberti sponsored the 23 bill, and we shepherded it through over the 24 objections of the board of regents in 1988. 25 When we did that, we did it for a series of</p>
<p style="text-align: right;">Page 47</p> <p>1 questions asked. 2 If you turn right around, though, and look 3 at the English lab or the biology lab or the 4 history lab, Penn State University has twice 5 the budget that Florida State University has, 6 three times the tuition that Florida State 7 University has. Ohio State has twice the 8 academic budget that Florida -- University of 9 Florida has. Two times the tuition is 10 collected. 11 Now, if those same odds were shifted to 12 the athletic field, we would have been 13 screaming. All of us would have been 14 screaming. We would have refused to play the 15 game because it wasn't a level playing field. 16 We expect our athletes to have a fair 17 shot. Shouldn't we expect all of the students 18 at a university to have that same fair shot? 19 Now, in the real world, we have to charge 20 tuition. I wish we didn't. Idealistically, it 21 would be great if we could say, an education 22 was free from the time you entered pre-K until 23 you got your Ph.D. degree. That would be 24 fantastic. But that's not the real world and 25 that's not what we can do. We have to charge</p>	<p style="text-align: right;">Page 49</p> <p>1 reasons, and times have changed. 2 First of all, we had just implemented a 3 lottery program. Some of us really didn't want 4 a lottery in the state of Florida but it 5 happened. And some of us felt that it was 6 better to send a message to parents. It's 7 better to invest in your children's education 8 through a state-sponsored education program -- 9 i.e., Prepaid -- than go out and buy a lottery 10 ticket. That was part of the motivation that 11 we did that. The second thing that we wanted 12 to do in that whole deal is make students, 13 parents, get involved in education at a very 14 young level and make people aware that there is 15 a future out there and there is a way to go to 16 college. 17 We never saw Prepaid as the ultimate and 18 only solution to getting an education. We 19 believed -- and I'll make my pitch for the 20 state university system -- that the state of 21 Florida had an obligation and still does have 22 an obligation to pay for a significant 23 percentage of that. At that time, it was 24 75 percent. We also demanded at that time that 25 the Prepaid program have a reserve. We knew</p>

<p style="text-align: right;">Page 50</p> <p>1 tuition was going to change and circumstances 2 were going to change. 3 Mr. Tate is a fine human being. He is an 4 outstanding individual, but he is a darned good 5 businessman. In the process of developing 6 Prepaid, not only did he create that, but he 7 created a series of pools and funds in Prepaid. 8 You can buy tuition. You can buy fees. You 9 could buy – I don't know whether we still have 10 them, Stan, dormitories. All of those 11 different programs and plans allowed people to 12 make various decisions upon what they thought 13 their particular family needs needed. 14 At that point in time, Bright Futures did 15 not exist. We never believed that there would 16 be something like Bright Futures. Had Bright 17 Futures existed, my guess is we probably would 18 not have passed Prepaid. 19 We also presented or believed that we 20 needed a serious obligation towards need-based 21 financial aid. I commend you for the 22 6.5 million that you put in last year for first 23 generation and college and believe, whether 24 you've got this program or any other program, 25 that needs to continue to be funded. We always</p>	<p style="text-align: right;">Page 52</p> <p>1 probably the reason that you need one 2 institution for right now in to see what's 3 going to happen with the mobility of students 4 as they move around. 5 So I'm here to support it. I don't 6 believe it's going to bankrupt Florida Prepaid. 7 I do believe Stanley Tate is a smart enough 8 businessman, when this passes, that you're 9 going to see another option in there, saying, 10 you know, if you think you want your kid to go 11 to Florida or Florida State, you can, for 12 another \$12.95, buy this add-on policy. You're 13 not going to have all that reserve drawn down. 14 And as has been said, the minute this passes, 15 those reserves and those funding formulas will 16 be changed and that reserve will be there to 17 make it up. I support the bill and hope you 18 will. 19 SENATOR RING: Thank you. 20 Any questions? Comments? No? Okay. 21 I'll now try to keep the discussion to a 22 couple minutes each. We've got a few more 23 speakers. And if it's been said before, 24 please, I don't think we need to repeat it. 25 Seth Harlow? Oh. Thank you.</p>
<p style="text-align: right;">Page 51</p> <p>1 believed at that point in time tuition was a 2 complex issue that wasn't a single solution. 3 Now, what this bill does, in my judgment, 4 it gives the University of Florida the 5 opportunity to have a certain amount of 6 dollars, and they have presented to the Board 7 of Governors a plan of how they're going to 8 spend it: 200 new faculty, counselors, et 9 cetera. That means more classes for students 10 at the University of Florida, whether you are a 11 need based or a merit scholar, more counseling 12 opportunities, better opportunities to get out 13 on time, get into the job market and become a 14 working member. 15 Whether any other institution will go in 16 at a later date, I really don't know. I have 17 promised Senator -- President Machen that I 18 would not compete against him in this endeavor. 19 I will not mention the fact that here's this 20 Bright Futures student with great grades and 21 great opportunities trying to choose between 22 Florida State and Florida and I say, well, go 23 pay \$1,000 there or come over here. I'm not 24 going to say that to the student. I think he 25 should have a fair opportunity. And that's</p>	<p style="text-align: right;">Page 53</p> <p>1 John Boyles? 2 MR. BOYLES: Good afternoon. Thank you, 3 Mr. Vice Chairman, Mr. Chairman, distinguished 4 senators. 5 I have the honor of representing the 6 students at the University of Florida as the 7 student body president, and I wanted to come 8 forward and voice our support as a student body 9 before you this morning -- or this afternoon 10 for this bill. As students, we came in and met 11 with our university administration, and our 12 president actually came and spoke to our 13 students before this bill even went to the -- 14 or this proposal even went to the Board of 15 Governors, and he laid out his plan for what he 16 wanted to see. He laid out a time for us to 17 ask questions as a student body and to be a 18 part of the discussion. And I believe it's 19 because of that effort that our president has 20 made and has led at our university that the 21 students have come forward and supported this 22 bill. 23 We put forward from student government a 24 survey before even the announcement of this 25 idea, asking students what they would like to</p>

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1 see at your university, if tuition was to
 2 increase, if fees were to increase, if they
 3 were to have to pay more money for their
 4 education. And by far away, the biggest things
 5 that they asked for, the biggest things that
 6 our students have said that they need are more
 7 faculty members so we can have smaller class
 8 sizes and more offerings and more academic
 9 advisors. That's what our students want, and
 10 they said that they were willing to pay for it.
 11 Our current students, without the thought of
 12 this current proposal, which was that the
 13 current students won't be paying it -- this was
 14 before this was even a thought -- our students
 15 answered on our survey that we put forward, out
 16 of our 50,000-member student body, we had 7,787
 17 responses, and they answered 60 percent that
 18 they were willing to pay at least \$500 more a
 19 semester. The other options that we had
 20 offered them on that were no more a semester,
 21 \$1,000 more -- \$1,000 more a year, \$1,500 more
 22 a year and \$2,000 more a year. And they said
 23 that they would be willing to pay at least \$500
 24 more a year or more to get these benefits from
 25 our university and to get these options in

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1 representatives of other state universities
 2 prior to this, and I did not have the occasion
 3 to talk to any from the Florida Prepaid
 4 program; although, I was following this. You
 5 know, I have told the chairman that I would
 6 support this bill today. I have not made any
 7 commitments after that.

8 I will say, though, that I do believe that
 9 we need some -- and I was grateful to see that
 10 the bill does or there has been commitments to
 11 cover those that are -- have concerns -- I
 12 mean, below the poverty level or at poverty
 13 level or at certain -- certain area need
 14 financial aid. But I think that there also
 15 needs to be some discussion as this goes
 16 forward -- and I know that this goes to higher
 17 education appropriations next -- about the
 18 current contract holders, specifically just
 19 raw, quick, quick numbers. If it's even
 20 30 percent that go into the University of
 21 Florida and therefore you reduce the amount of
 22 money that they -- that they expect to get,
 23 you're still looking at a significant amount of
 24 money, upwards of \$5.5 million additional a
 25 year as opposed to the 8.2 that they anticipate

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1 their education.
 2 For those reasons, our students are
 3 supportive of this bill. We're supportive of
 4 this proposal. We asked our university for two
 5 things: One was to assure us that need-based
 6 applicants and need-based students who had a
 7 need for -- inability to meet this money and to
 8 meet this new demand would be taken care of.
 9 And the other was for student involvement. And
 10 our university, on multiple occasions, has
 11 worked with us and has agreed and committed
 12 themselves to meeting those two needs and those
 13 desires.
 14 I'm available for any questions if there
 15 are any.
 16 SENATOR RING: Questions?
 17 No?
 18 Okay. Thank you very much, Mr. Boyles.
 19 Arturo Armand? Thank you, sir.
 20 Jason Lutin? Okay. Great. Thank you.
 21 Okay.
 22 Now, debate here? No debate?
 23 Yes, Senator Constantine.
 24 SENATOR CONSTANTINE: You know, I talked
 25 to the University of Florida and other

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1 currently. So I think that there's got to be
 2 some discussion about what -- you know, about
 3 that contract and what, you know, ultimately --
 4 whether it's from, you know, the prepay
 5 information that they gave us with the actuary
 6 or our own study, what we do with the current
 7 policyholders and whether or not we can commit
 8 to them that that -- those individuals would be
 9 covered.

10 SENATOR RING: Thank you.

11 I think -- I think this concept is among
 12 the most important things that we're going to
 13 be doing here in terms of how do we get more
 14 money for the university, for the University of
 15 Florida? I also -- I've spent a lot of time
 16 with the Prepaid folks, and I thank you for the
 17 time you spent with me. I do think that we
 18 need to support this and get this out of
 19 committee today. I do think we need to have --
 20 work beyond this committee, though, with the
 21 Prepaid folks, work very closely with the
 22 Prepaid folks to ensure that none of these
 23 Prepaid contracts can possibly be compromised.
 24 Obviously, the last thing we want to see is
 25 Prepaid go into debt, but the concept of

15 (Pages 54 to 57)

<p style="text-align: right;">Page 58</p> <p>1 increasing or getting more money for the</p> <p>2 University of Florida right now is, to me, of</p> <p>3 the absolute utmost importance, and I do</p> <p>4 commend you, Senator Oelrich, for this.</p> <p>5 Senator Oelrich, to close?</p> <p>6 SENATOR OELRICH: Yes. Thank you very</p> <p>7 much, Mr. Chairman.</p> <p>8 You know, you've heard today from the</p> <p>9 students at the University of Florida, the</p> <p>10 Board of Governors, all 11 or -- excuse me.</p> <p>11 Ten other universities are in support of this.</p> <p>12 I want to especially thank President T.K.</p> <p>13 Wetherell for appearing today. That was very</p> <p>14 nice and what I would call a class act to come</p> <p>15 and support this. This is what I would like to</p> <p>16 see our -- the 2007 legislature known, as the</p> <p>17 legislature that kind of turned the corner</p> <p>18 about investing more in higher education. I</p> <p>19 know that Senator Ring is very much into</p> <p>20 technological innovation and entrepreneurship.</p> <p>21 And the way we're going to get that is through</p> <p>22 higher education. If you look at other</p> <p>23 examples throughout the United States, they had</p> <p>24 their genesis from great university centers.</p> <p>25 And I want the University of Florida, Florida</p>	<p style="text-align: right;">Page 60</p> <p>1 hope, successes of Senate Bill 710 [sic]</p> <p>2 dealing with academic enhancement. This bill</p> <p>3 has come a long way over the course of the last</p> <p>4 five months, and Senator Lynn will offer a</p> <p>5 strike-all amendment.</p> <p>6 I believe now that we have a product that</p> <p>7 we can hopefully agree on and, more</p> <p>8 importantly, one that will benefit higher</p> <p>9 education in our state. And this is of benefit</p> <p>10 for higher education for years to come.</p> <p>11 Currently, Florida ranks 50 out of 50 --</p> <p>12 50th out of 50 in terms of the cost of</p> <p>13 education, tuition in the United States on two</p> <p>14 different polls. One of them, they rank last</p> <p>15 in a poll of 50, and the other one in a poll of</p> <p>16 55 flagship universities, Florida State</p> <p>17 University and the University of Florida rank</p> <p>18 74 and 75th, respectfully. It costs more to</p> <p>19 send your child to daycare than it does to send</p> <p>20 them to a world-class university in the state</p> <p>21 of Florida.</p> <p>22 It's time that we turn the corner on</p> <p>23 education. Everyone talks about it and</p> <p>24 campaigns on improving education, having our</p> <p>25 students be able to compete not only nationally</p>
<p style="text-align: right;">Page 59</p> <p>1 State, Central Florida, South Florida, to be</p> <p>2 those nucleus areas that give us great</p> <p>3 technology and create the jobs and the careers</p> <p>4 of tomorrow. So I urge that you support this</p> <p>5 bill.</p> <p>6 SENATOR RING: Thank you, Senator Oelrich.</p> <p>7 Madam secretary, please call the roll.</p> <p>8 SECRETARY: Senator Bennett?</p> <p>9 Senator Constantine?</p> <p>10 SENATOR CONSTANTINE: Yes.</p> <p>11 SECRETARY: Senator Justice?</p> <p>12 SENATOR JUSTICE: No.</p> <p>13 SECRETARY: Senator King?</p> <p>14 SENATOR KING: No.</p> <p>15 SECRETARY: Senator Ring?</p> <p>16 SENATOR RING: Yes.</p> <p>17 SECRETARY: Chairman?</p> <p>18 SENATOR OELRICH: Yes.</p> <p>19 SECRETARY: Three-two vote.</p> <p>20 SENATOR RING: With that, by your vote,</p> <p>21 Senate Bill 1710 passes.</p> <p>22 (Senate Committee on Higher Education</p> <p>23 Appropriations, April 24, 2007)</p> <p>24 SENATOR OELRICH: By now, you all are well</p> <p>25 aware of our trials and tribulations and, we</p>	<p style="text-align: right;">Page 61</p> <p>1 but on a global market. That talk is fine but</p> <p>2 it's time to take some action, and this bill</p> <p>3 will give our colleges and universities the</p> <p>4 tools they need to compete nationally and</p> <p>5 globally. This bill will ensure that the money</p> <p>6 is spent on improving undergraduate education</p> <p>7 and hiring more professors and academic</p> <p>8 advisors. There have been in the past students</p> <p>9 here to testify for the need for additional</p> <p>10 professors.</p> <p>11 This program will not affect Bright</p> <p>12 Futures scholarships. Bright Futures has been</p> <p>13 an overwhelming success and helps to bring down</p> <p>14 the cost of college significantly for families</p> <p>15 in Florida. Next year, 95 percent of the</p> <p>16 freshmen at the University of Florida will be</p> <p>17 on Bright Futures.</p> <p>18 Currently, the State picks up 75 percent</p> <p>19 plus of the cost to educate its college</p> <p>20 students, and this plan will allow people to</p> <p>21 use the system to pick up the additional tab to</p> <p>22 improve it and not place the burden on the</p> <p>23 taxpayer in general.</p> <p>24 Senator Lynn, there are some more</p> <p>25 provisions in your amendment that I know you</p>

<p style="text-align: right;">Page 62</p> <p>1 would like to explain, and I would ask for you 2 to do that now. 3 SENATOR LYNN: Yes. I'm passing the chair 4 to Senator Ring, Vice Chair. 5 SENATOR RING: Amendment No. 1 -- thank 6 you, Madam Chair. 7 Amendment No. 1, Barcode 610008 by Senator 8 Lynn. Senator Lynn, you are recognized to 9 discuss the amendment. 10 SENATOR LYNN: Thank you. 11 This is the strike-all amendment that was 12 proposed, and I appreciate Senator Oelrich's 13 cooperation in trying to work something out 14 that we think would be very beneficial to 15 higher ed. This strike-everything amendment 16 replaces the original bill's academic 17 enhancement fee with a tuition differential 18 which shall be established by the Board of 19 Governors as Funding Level 1 and 2 schools. 20 The funding levels were established through 21 legislation passed last year in House Bill 22 1237, the 21st century technology, research and 23 scholarship enhancement act. 24 The tuition differential at Level 1 25 schools cannot exceed 40 percent of the tuition</p>	<p style="text-align: right;">Page 64</p> <p>1 and support services. One further section of 2 the bill unrelated to the differential tuition 3 simply clarifies that activity and service and 4 athletic fee revenue may be transferred to the 5 university DSO for the purpose of paying in 6 secured bonds for the university capital outlay 7 projects. The amount that can be transferred 8 cannot exceed 5 percent of the most recent 9 12-month collection of the fee. 10 There is one late-filed amendment also. 11 SENATOR RING: Senator Lynn, would you 12 offer the amendment? 13 SENATOR LYNN: Yes. This amendment 14 clarifies that students are supposed to be 15 called "beneficiaries," and so we changed one 16 word there. 17 SENATOR RING: And I guess we need a 18 motion to take up the late-filed amendment. I 19 wasn't seeing any objections. 20 Senator Lynn, you've already discussed the 21 amendment. So any questions on the amendment? 22 Objections? 23 I show the amendment adopted. 24 We're now on Amendment No. 1 as amended. 25 Are there any questions to the amendment?</p>
<p style="text-align: right;">Page 63</p> <p>1 overall. The funding of the tuition 2 differential at Level 2 schools cannot exceed 3 30 percent of tuition overall. However, the 4 growth of tuition plus the differential cannot 5 exceed 15 percent for any fiscal year. 6 The tuition differential will not be 7 covered by Bright Futures scholarships. It is 8 decoupled from Bright Futures. 9 Students having Prepaid contracts in 10 effect in July 2007 are exempt from the fee. 11 After that time for new contracts, the Prepaid 12 board may offer a differential tuition 13 contract. Students who are presently enrolled 14 and remain continuously enrolled will not be 15 charged the fee. 16 The fee may be waived for students who 17 meet FSAG eligibility criteria. The university 18 Board of Trustees of a university which has 19 been authorized by the Board of Governors to 20 charge a differential tuition may establish a 21 differential tuition lower than the maximum 22 authorized by the Board of Governors. 23 Revenue generated by the tuition 24 differential must be spent solely for improving 25 the quality of direct undergraduate instruction</p>	<p style="text-align: right;">Page 65</p> <p>1 Discussion? Objections? 2 I show the amendment adopted. 3 Senator Lynn, you have the chair. 4 SENATOR LYNN: Thank you very much. 5 We have some speakers? All right. 6 Speakers, Mark Rosenberg, the Board of 7 Governors. 8 MR. ROSENBERG: Madam Chair, members of 9 the committee, I want to thank the chair and 10 the committee for grappling with this issue of 11 tuition. No doubt you share with the Board of 12 Governors a real concern for how to finance 13 public universities in a context with the 14 lowest public university tuition in the United 15 States and unmet institutional needs in all of 16 our 11 institutions that grow every year as the 17 global playing field expands and, in this 18 context, as the United States and Florida fall 19 further behind in almost any indicator that you 20 can point to, as Senator Oelrich has mentioned. 21 The Board of Governors some months ago 22 approved the academic enhancement fee as a 23 pilot project for the University of Florida 24 following the extensive consultation with 25 universities and their respective boards of</p>

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1 trustees. The Board of Governors also approved
2 the tech fee to be decided locally by students
3 and their university administrations. And just
4 days ago, members of the Senate approved five
5 to zero Senator Lawson's tech fee initiative
6 that was consistent with Governor Crist's
7 concerns, even if we're not sure about his
8 direction should it reach his desk.

9 The board has not reviewed this current
10 initiative, but it applauds any initiative that
11 would bring our institutions more financial
12 support.

13 SENATOR LYNN: Thank you very much.
14 Any questions?

15 Dr. Bernard Machen, University of Florida.

16 MR. MACHEN: Thank you, Senators. Thank
17 you to the committee.

18 I'd just like to clarify that this
19 amendment has exactly the same goal and
20 objective that the Oelrich bill did. And we
21 acknowledge the Senate's wisdom in making the
22 right directional change of how to achieve it.

23 Just to remind you, every penny that's
24 collected from this additional revenue will go
25 to hire faculty and academic counselors.

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1 student body president. I'm here today to
2 speak in favor of this bill. We did research
3 with students like UF, the option to raise
4 tuition gradually over a period of years. The
5 success of this bill is critical for students
6 in the state of Florida to get the very best
7 education.

8 The University of Florida currently has a
9 student-faculty ratio of 21 to one, 21 to one,
10 the highest it's ever been. Other Florida
11 schools are suffering from that same lack of
12 faculty. This bill will fund the necessary
13 costs to hire more faculty and lower that
14 ratio. As student body president, that's one
15 of the major concerns that I really do hear, is
16 the time that it takes for students to see
17 advisors and the fact that they want to have
18 faculty and dependable professors teaching
19 their classes.

20 These slight increases in tuition for the
21 next few years will raise the standard of
22 education in the state of Florida, draw better
23 applicants to Florida schools, produce better
24 graduates. This can only improve Florida's
25 reputation and the state's reputation for

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1 There's no administrative setoff here. It's an
2 area that is in desperate need of support. The
3 front page of our student paper this morning
4 talks about the huge backlog in academic
5 counselors, where one of our colleges has 1,300
6 students per counselor. We think that this
7 will really hit right at the problem, focusing,
8 as Senator Lynn said, on undergraduate
9 education, which is where we need the most
10 help.

11 So I just want to say that the wisdom of
12 the Senate in pursuing this approach to solve
13 the same problem is certainly compatible with
14 what we're trying to do and we appreciate your
15 efforts.

16 SENATOR LYNN: Thank you very much for
17 being here and for sharing the support for what
18 we're trying to do.

19 Ryan Moseley, University of Florida
20 student government. Good morning.

21 MR. MOSELEY: Good morning. Madam
22 Chairman and senators, thank you for giving me
23 the opportunity to speak with you here today.

24 My name is Ryan Moseley, and I'm the
25 current student body treasurer and the incoming

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1 valuing education.

2 When considering this bill, I hope you
3 keep in mind the huge benefits it will have
4 both for the students and for the state of
5 Florida. Thank you for your time and
6 consideration.

7 SENATOR LYNN: Thank you very much for
8 being here.

9 Jason Lutin? Is that the way you
10 pronounce your name? Student at the University
11 of Florida.

12 Where is your orange today?

13 MR. LUTIN: What? I don't know. I
14 couldn't find it this morning. The football
15 team is here, so --

16 Thank you for letting me speak here today.
17 I want to speak in two capacities. One is -- I
18 graduate in a few days. I go home and take my
19 last final tomorrow. It's very sad.
20 (Inaudible.) I also speak as a brother. My
21 sister was starting Florida State University as
22 a freshman. And the experience I've had at the
23 University of Florida has been amazing, very
24 good to great. But as I'm going to graduate
25 right now, in the college of liberal arts and

18 (Pages 66 to 69)

<p style="text-align: right;">Page 70</p> <p>1 science, it's the largest college in the 2 school. It's one advisor for the entire 3 graduating class. There's one advisor. That's 4 it. And, literally, there's a line out her 5 door yesterday I waited on just to get to see 6 her just to make sure I'm ready to graduate. 7 Just one. That's it. 8 And, you know, I've gone through many 9 high-level classes. I'm taking one right now 10 that's taught by a person just a couple of 11 years older than me. He's a TA. And it's no 12 fault of anyone, but they don't have the 13 funding. I've talked to the dean of the 14 college. There's no funding. We cannot hire 15 another professor for the class. Too many 16 sanctions. Too many everything. That's it. 17 We're just stretched too thin. 18 My sister, who's going to Florida State 19 soon, I hope, you know, that she won't have 20 that same experience I had. I hope she has a 21 lot of experiences I had, but those 22 experiences, I hope when she's my age and she's 23 getting ready to graduate, she'll have numerous 24 advisors to help out. She'll know the path she 25 wants to take at Florida State and she'll know</p>	<p style="text-align: right;">Page 72</p> <p>1 eight institutions. And I think, at least in 2 our institution, we would love the discretion 3 to be able to entertain imposing this fee upon 4 the students in lieu of another revenue item 5 from the state of Florida. I recognize that 6 this has gone pretty far down the line, but the 7 exact same issues in terms of class size, 8 advising, numbers of faculty and faculty lines 9 impact our institution also. I appreciate your 10 time. 11 SENATOR LYNN: Thank you for being here. 12 I appreciate your thoughts. 13 I guess that's our last speaker. Do we 14 have any questions? Any comments? 15 With that, the secretary will call the 16 roll on Senate Bill 1710. 17 SECRETARY: Senator Justice? 18 SENATOR LYNN: Excuse me. Senator 19 Oelrich, would you like to close? 20 SENATOR OELRICH: Well, I just want to 21 thank everybody with all the work and 22 discussion and give and take that we've had on 23 this bill. I think it's a good bill and I urge 24 my fellow senators to support it. 25 SENATOR LYNN: And now, Ann, if you'll</p>
<p style="text-align: right;">Page 71</p> <p>1 what she's doing. She'll have teachers 2 teaching -- professors teaching her classes 3 when she's a fourth year student, and that's my 4 hope for her. 5 But my experience is wonderful, but I 6 really hope this bill passes and that we're 7 able to provide those services to students like 8 myself and my sister. Thank you. 9 SENATOR LYNN: Thank you for being here. 10 John A. Delaney, University of North 11 Florida. Good morning. 12 MR. DELANEY: Thank you, Senator. I do 13 appreciate your efforts on this behalf. As has 14 been already pointed out, the tuition is very 15 low in the state of Florida. Obviously, these 16 are revenue items for our universities. And 17 the original bill supported -- I was talking to 18 Dr. Machen yesterday. It appears that the 19 legislative changes over the last few days have 20 dramatically improved the bill. 21 The only thing I think I would lay out on 22 the table is that the other -- I'm not speaking 23 for the other eight institutions, but the same 24 issues that face the three that will be 25 directly affected are also faced by the other</p>	<p style="text-align: right;">Page 73</p> <p>1 call the roll, please. 2 SECRETARY: Senator Justice? 3 Senator King? 4 SENATOR KING: No. 5 SECRETARY: Senator Oelrich? 6 SENATOR OELRICH: Yes. 7 SECRETARY: Senator Ring? 8 SENATOR RING: Yes. 9 SECRETARY: Chairman Lynn? 10 SENATOR LYNN: Yes. 11 And by your vote, Senate Bill 1710 passes. 12 And thank you all for cooperating and 13 helping us come to a place where we can try to 14 get to the next step in our higher ed 15 improvement and reform. 16 (Senate Chamber, April 26, 2007) 17 UNIDENTIFIED SPEAKER: Take up and read 18 the next bill. 19 UNIDENTIFIED SPEAKER: Committee 20 substitute for Senate Bill 1710, a bill to be 21 entitled an act relating to academic fees. 22 UNIDENTIFIED SPEAKER: Senator from the 23 14th, you're recognized, Senator Oelrich, to 24 explain your bill. 25 SENATOR OELRICH: Thank you,</p>

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<p>1 Mr. President.</p> <p>2 This bill is -- 1710 is a bill dealing</p> <p>3 with academic enhancement at Level 1, research</p> <p>4 universities in the state of Florida, which</p> <p>5 includes Florida State, University of Florida</p> <p>6 and University of South Florida.</p> <p>7 UNIDENTIFIED SPEAKER: You've heard the</p> <p>8 explanation of the bill. Are there amendments?</p> <p>9 UNIDENTIFIED SPEAKER: None on the desk,</p> <p>10 Mr. President.</p> <p>11 UNIDENTIFIED SPEAKER: Are there</p> <p>12 questions? Is there debate? Senator Oelrich</p> <p>13 waives his time on the bill. So pursuant to</p> <p>14 Rule 4.19, the bill is placed on the count of</p> <p>15 bills on third reading.</p> <p>16 (Senate Chamber, April 27, 2007)</p> <p>17 UNIDENTIFIED SPEAKER: And the bill to be</p> <p>18 entitled an act relating to academic fees.</p> <p>19 UNIDENTIFIED SPEAKER: Senator Oelrich,</p> <p>20 you're recognized, sir.</p> <p>21 SENATOR OELRICH: Thank you,</p> <p>22 Mr. President. Now all of you have read a lot</p> <p>23 and know a lot about Senate Bill 1710 dealing</p> <p>24 with academic enhancement. We've worked for</p> <p>25 the past, really, four or five months on this</p>	<p>1 It's not unusual at these large universities to</p> <p>2 have hundreds, literally hundreds, of students,</p> <p>3 in some cases over a thousand students, per</p> <p>4 counselor. And this will enable them to buy --</p> <p>5 or pay for new counselors and new professors in</p> <p>6 the baccalaureate program.</p> <p>7 So this problem will not affect Bright</p> <p>8 Futures, and we have gotten them overwhelmed --</p> <p>9 that has been an overwhelming success</p> <p>10 throughout the state of Florida. And next</p> <p>11 year, 95 percent of the students, for instance,</p> <p>12 at the University of Florida will be --</p> <p>13 freshmen will be Bright Futures students.</p> <p>14 So I hope that you'll -- that will allow</p> <p>15 the users of this service -- meaning, going to</p> <p>16 college -- a bigger share of the responsibility</p> <p>17 of that right now. The median income at the</p> <p>18 University of Florida, let's say, is over</p> <p>19 \$100,000. And 25 percent of the households</p> <p>20 have over \$150,000. So I think this is a</p> <p>21 modest increase to help out the overall</p> <p>22 academic experience for the students. And</p> <p>23 we -- by the way, we have support from the</p> <p>24 students to do this program. And it will</p> <p>25 really be an opportunity for us to turn the</p>
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<p>1 bill to try to get all the players involved</p> <p>2 here, and we think we have a product that we</p> <p>3 can all -- well, maybe not all, but we can</p> <p>4 agree on and, more importantly, one that will</p> <p>5 benefit higher education for years to come.</p> <p>6 You know that University of Florida and --</p> <p>7 is No. 75 as far as tuition charges and</p> <p>8 followed closely by Florida State University,</p> <p>9 which is No. 74. It costs you more to send</p> <p>10 your kids to daycare than it does to go to one</p> <p>11 of these top three universities in the state of</p> <p>12 Florida that are considered Level 1 research</p> <p>13 universities by this legislature.</p> <p>14 So what this does is will allow the</p> <p>15 universities, these three universities -- and</p> <p>16 why we picked three was the legislature created</p> <p>17 Level 1 research universities last year, I</p> <p>18 believe it was, and these are the ones that</p> <p>19 qualify under Level 1.</p> <p>20 Now, these three universities would be</p> <p>21 able to raise their tuition by up to 10 percent</p> <p>22 over a four-year period for a total of no more</p> <p>23 than 40 percent. The commitment here is that</p> <p>24 we're going to use this for baccalaureate</p> <p>25 programs, more professors and more counselors.</p>	<p>1 corner. You know we talk about in the</p> <p>2 legislature how we want to have these kind of</p> <p>3 areas of global -- you know, global power and</p> <p>4 powers of -- where we go into high-tech areas</p> <p>5 and information technology and so forth,</p> <p>6 medical research and so forth. And the way</p> <p>7 we're going to do that is by having strong</p> <p>8 universities in our state. This is going to be</p> <p>9 a step where we're going to help to ensure that</p> <p>10 we have those strong universities that have</p> <p>11 helped generate the economic locomotive, if you</p> <p>12 will, in many other areas of the country and</p> <p>13 bring them to the state of Florida. I urge</p> <p>14 that you support this bill.</p> <p>15 UNIDENTIFIED SPEAKER: Questions of the</p> <p>16 sponsor? Senator Wise for a question, sir.</p> <p>17 SENATOR WISE: I don't think it's a</p> <p>18 question. I just want to commend Senator</p> <p>19 Oelrich for doing this.</p> <p>20 UNIDENTIFIED SPEAKER: Senator Wise, could</p> <p>21 you hold until we finish up with questions, and</p> <p>22 then you're more than welcome to have comments?</p> <p>23 SENATOR WISE: Yes, sir.</p> <p>24 UNIDENTIFIED SPEAKER: Senator Wilson for</p> <p>25 a question? You're recognized.</p>

<p style="text-align: right;">Page 78</p> <p>1 SENATOR WILSON: Thank you, Mr. President.</p> <p>2 Senator Oelrich, I'd like to find out from</p> <p>3 you how this will impact the Prepaid</p> <p>4 scholarships.</p> <p>5 SENATOR OELRICH: Ms. Chairman, thank you.</p> <p>6 This does not affect the scholarship program at</p> <p>7 all.</p> <p>8 UNIDENTIFIED SPEAKER: For a follow-up,</p> <p>9 Senator Wilson, recognize, ma'am.</p> <p>10 SENATOR WILSON: Thank you, Mr. President.</p> <p>11 According to what I'm reading, it says</p> <p>12 that it doesn't affect those that will be in</p> <p>13 effect by 2007. What happens to those that are</p> <p>14 not in effect by 2007? What is the impact on</p> <p>15 those youngsters?</p> <p>16 UNIDENTIFIED SPEAKER: Senator Oelrich for</p> <p>17 a response, sir.</p> <p>18 SENATOR OELRICH: Mr. President, thank</p> <p>19 you.</p> <p>20 It does not affect that at all.</p> <p>21 UNIDENTIFIED SPEAKER: Senator Dawson for</p> <p>22 a question, ma'am.</p> <p>23 SENATOR DAWSON: Thank you, Mr. President.</p> <p>24 My question is to -- regarding the raising</p> <p>25 of the tuition or fee. And how does that help</p>	<p style="text-align: right;">Page 80</p> <p>1 SENATOR OELRICH: Absolutely. If we</p> <p>2 could -- the situation at these particular</p> <p>3 universities is much more acute than it is at</p> <p>4 others, but it does affect all of those</p> <p>5 universities all throughout the state. We</p> <p>6 traditionally have very low tuition, No. 75 and</p> <p>7 74 in a list of 75 public universities in the</p> <p>8 state of Florida. So this is an effort for</p> <p>9 those -- and it's not guaranteed. It's through</p> <p>10 the trustees of those universities, when they</p> <p>11 see -- if they see it fit, to raise the tuition</p> <p>12 to improve the quality of their baccalaureate,</p> <p>13 their undergraduate education.</p> <p>14 UNIDENTIFIED SPEAKER: Further questions?</p> <p>15 Senator Dawson for a final question.</p> <p>16 SENATOR DAWSON: Yes. You indicated that</p> <p>17 the students are okay with this. If -- if it</p> <p>18 starts in 2007, what does that mean for a</p> <p>19 family, middle income, that's been planning to</p> <p>20 have dollars for their kids to go to school and</p> <p>21 now all of a sudden their tenth-grader is now</p> <p>22 going to be affected? How will they be able to</p> <p>23 meet the new college tuition?</p> <p>24 SENATOR OELRICH: Well, if they're in a</p> <p>25 situation where they're in economic need, if</p>
<p style="text-align: right;">Page 79</p> <p>1 us to have strong -- stronger universities?</p> <p>2 What does -- what's the correlation between</p> <p>3 raising the fees and --</p> <p>4 UNIDENTIFIED SPEAKER: Senator Oelrich for</p> <p>5 a response.</p> <p>6 SENATOR OELRICH: Thank you,</p> <p>7 Mr. President.</p> <p>8 Well, right now we're in a situation where</p> <p>9 we have schools that -- we have over a thousand</p> <p>10 kids with one counselor. We have one in</p> <p>11 particular with 1,300. We also have -- waiting</p> <p>12 for the programs that they need to have to --</p> <p>13 because we have a lack of professors to teach</p> <p>14 the courses that we need. So it's going to</p> <p>15 enhance the overall quality of the university</p> <p>16 and the university system of the state of</p> <p>17 Florida.</p> <p>18 UNIDENTIFIED SPEAKER: Senator Dawson for</p> <p>19 a follow-up.</p> <p>20 SENATOR DAWSON: Thank you.</p> <p>21 Well, have we looked at what that -- those</p> <p>22 same circumstances, how they are relevant to</p> <p>23 the other universities and colleges in the</p> <p>24 state of Florida?</p> <p>25 UNIDENTIFIED SPEAKER: Senator Oelrich.</p>	<p style="text-align: right;">Page 81</p> <p>1 they qualify for a need base to scholarship,</p> <p>2 this will not affect that at all. They are</p> <p>3 exempt from this.</p> <p>4 UNIDENTIFIED SPEAKER: Members, we're</p> <p>5 getting close to 1:00 o'clock. There are some</p> <p>6 motions that need to be dealt with. We are</p> <p>7 going to TP this bill, temporarily pass the</p> <p>8 bill. And so show that done without objection.</p> <p>9 (SB 1710 resumed.)</p> <p>10 UNIDENTIFIED SPEAKER: 1710? Page 11.</p> <p>11 Read the bill.</p> <p>12 UNIDENTIFIED SPEAKER: Committee</p> <p>13 substitute for Senate Bill 1710, a bill to be</p> <p>14 entitled and act relating to academic fees.</p> <p>15 UNIDENTIFIED SPEAKER: Senator Oelrich.</p> <p>16 SENATOR OELRICH: Yes, sir, Mr. President.</p> <p>17 I know that we took this up before lunch. And</p> <p>18 I know that seems like about three days ago,</p> <p>19 but we're back on it.</p> <p>20 One of the things I thought that might</p> <p>21 answer some questions here, I went back during</p> <p>22 lunchtime and I put together some bullets and</p> <p>23 statements. And I'd just like to take the</p> <p>24 liberty to read these to you. It's a</p> <p>25 one-pager, and it may clear up some of the</p>

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<p>1 concerns that somebody may have about this bill</p> <p>2 or fortify your approval of it.</p> <p>3 This bill allows the university Board of</p> <p>4 Trustees, with approval from the Board of</p> <p>5 Governors, to establish an academic enhancement</p> <p>6 differential that does not exceed 40 percent</p> <p>7 over a four-year period. In order to be</p> <p>8 eligible for the full 40 percent, the</p> <p>9 university must meet the criteria for funding</p> <p>10 Level 1 and 2, as defined in the statutes</p> <p>11 1004.635. And that would be for the University</p> <p>12 of Florida and FSU.</p> <p>13 Universities that meet the criteria for --</p> <p>14 excuse me -- that was for 1. For Level 2 under</p> <p>15 the statute, 1004.365, are eligible to</p> <p>16 establish a tuition differential for 30 percent</p> <p>17 of the cost of tuition.</p> <p>18 University of Florida and FSU, it will</p> <p>19 cost \$7.37 per credit hour or approximately \$90</p> <p>20 per semester for the first year of</p> <p>21 implementation.</p> <p>22 UNIDENTIFIED SPEAKER: Senator Oelrich, we</p> <p>23 are on -- we're going to do some late-filed</p> <p>24 amendments here and then you may answer some of</p> <p>25 these questions. If not, we'll let you do</p>	<p>1 SENATOR RING: Yeah. I believe what that</p> <p>2 means, Mr. President, is that Bright Futures</p> <p>3 will pay for this, which is -- which is --</p> <p>4 UNIDENTIFIED SPEAKER: Okay. I'll tell</p> <p>5 you what we're going to do. I want everybody</p> <p>6 on this bill -- we're going to TP the bill with</p> <p>7 the amendment pending. We're going to TP this</p> <p>8 bill, and I want -- these are late-filed</p> <p>9 amendments. We are on third reading. As a</p> <p>10 courtesy to the sponsor of the bill, I want</p> <p>11 everybody to go in the back, and I want you to</p> <p>12 go over these late-filed amendments. The one</p> <p>13 thing we're not going to go here, particularly</p> <p>14 as we go into the last week, we're just not</p> <p>15 going to do these late-filed amendments without</p> <p>16 this body understanding them fully.</p> <p>17 So we're going to show the bill</p> <p>18 temporarily passed. And, Senator Oelrich, if</p> <p>19 you'll go back into the back. And all the</p> <p>20 senators who have sponsored amendments, extend</p> <p>21 the courtesy to Senator Oelrich by going in the</p> <p>22 back and sharing with him your thoughts.</p> <p>23 (HB 1710 resumed)</p> <p>24 UNIDENTIFIED SPEAKER: We're going back to</p> <p>25 Senator Oelrich's bill on committee substitute</p>
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<p>1 that, do some more explaining later on.</p> <p>2 But read the first late-filed amendment.</p> <p>3 I show it introduced without objection.</p> <p>4 UNIDENTIFIED SPEAKER: Barcode 581510 by</p> <p>5 Senator Wilson. On page 3, line 12, delete the</p> <p>6 words "may not" and insure "shall."</p> <p>7 UNIDENTIFIED SPEAKER: Senator Wilson?</p> <p>8 SENATOR WILSON: Thank you, Mr. President.</p> <p>9 This amendment will allow the tuition</p> <p>10 differential to be calculated as a part of</p> <p>11 scholarship programs such as Bright Futures.</p> <p>12 UNIDENTIFIED SPEAKER: Questions?</p> <p>13 Questions? What about debate?</p> <p>14 Debate, Senator Oelrich? And debate.</p> <p>15 SENATOR OELRICH: Yes, sir, Mr. President.</p> <p>16 This is just a -- I take it, it's almost a</p> <p>17 technical amendment that here we are at the</p> <p>18 third reading or whatever, and I guess we're</p> <p>19 going to -- the universities have agreed to</p> <p>20 this already. And now you're just telling them</p> <p>21 that they gotta. Is that correct? Is that</p> <p>22 correct?</p> <p>23 UNIDENTIFIED SPEAKER: Senator Ring, do</p> <p>24 you want to give us some further clarification</p> <p>25 on this?</p>	<p>1 for Senate Bill 1710. Read the bill.</p> <p>2 UNIDENTIFIED SPEAKER: Committee</p> <p>3 substitute for Senate Bill 1710, a bill to be</p> <p>4 entitled an act relating to academic fees.</p> <p>5 UNIDENTIFIED SPEAKER: Now, we have some</p> <p>6 amendments, late filed, showing no objection.</p> <p>7 Introduced without objection. Sponsor to the</p> <p>8 amendment, read the amendment.</p> <p>9 UNIDENTIFIED SPEAKER: Barcode 581510 by</p> <p>10 Senator Wilson. On page 3, line 12, delete the</p> <p>11 words "may not" and insert "shall."</p> <p>12 UNIDENTIFIED SPEAKER: Senator Wilson,</p> <p>13 what's your pleasure?</p> <p>14 Show it done. Withdrawn without</p> <p>15 objection. Read the next late-filed amendment.</p> <p>16 Show it introduced without objection. Show</p> <p>17 that withdrawn without objection. We have</p> <p>18 another late-filed amendment. Constantine.</p> <p>19 Show it introduced without objection. Read the</p> <p>20 amendment.</p> <p>21 UNIDENTIFIED SPEAKER: Barcode 095960 by</p> <p>22 Senator Constantine. On page 3, line 7, after</p> <p>23 the period, insert amendment.</p> <p>24 UNIDENTIFIED SPEAKER: Senator</p> <p>25 Constantine.</p>

22 (Pages 82 to 85)

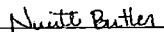
<p style="text-align: right;">Page 86</p> <p>1 SENATOR CONSTANTINE: Thank you very much, 2 Mr. President, members. And please listen up 3 because this -- I mean, a lot of members have a 4 concern about this tier system that we're 5 setting up here and adding 40 percent for 6 certain universities, 30 percent for others. 7 This -- and working with the appropriations 8 staff, they have an amendment that would 9 replace this. But I just want everyone to hear 10 the concern. There are certain universities 11 that right now are left out of this program, 12 this particular program, by the first and 13 second tier. This potentially would give them 14 the ability to do it. 15 Now, I have assurances from Senator Lynn 16 that this will be done next year, but I also 17 have assurances from the -- from members of the 18 House that they're going to do it this year. 19 And for UCF and FIU, we feel, like in many 20 ways, this might be leaving us out as 21 stepchildren with a potential of not -- with no 22 guarantee that we would be able to move up to 23 that tier system. 24 Now, as I said, Senator Lynn feels that it 25 would be corrected and we will have that chance</p>	<p style="text-align: right;">Page 88</p> <p>1 the late-filed amendment. 2 UNIDENTIFIED SPEAKER: Barcode 631362 by 3 Senator Constantine. On page 3, lines 1 4 through 8, delete those lines and insert 5 amendment. 6 UNIDENTIFIED SPEAKER: So this is the 7 amendment you really wanted. 8 All right. We are on questions on the 9 amendment. Questions on the amendment. 10 We are on debate on the amendment. Debate 11 on the amendment. 12 Senator Ring? 13 SENATOR RING: Thank you, Mr. President. 14 This tier system -- and I know Senator 15 Lynn will follow -- was set up because one of 16 the things we need to do is create 17 accountability within our university system. 18 And one of the things that Senator Constantine 19 in this bill is trying -- in this amendment is 20 trying to do is trying to limit some of that 21 accountability. In this case, something called 22 the Carnegie Classification. The Carnegie 23 Classification is a national body that 24 recognizes and ranks high-quality research 25 institutes. I believe this is a very important</p>
<p style="text-align: right;">Page 87</p> <p>1 and that this does not do what it intends to 2 do. And I, again, have just been given the 3 next barcode to do it. All I'm saying is, I 4 have very big concerns, deep concerns about 5 this tier system leaving certain universities 6 with the inability to get to that next level in 7 the bill right now. And I want us to know that 8 we will probably see this bill again. That's 9 what I've been told by the House and the 10 sponsors over there. 11 But my personal opinion is, if we can fix 12 it here, if we can ensure that the other 13 universities have that chance to get to those 14 other tiers here and now, that we in the 15 Florida Senate should do so. 16 UNIDENTIFIED SPEAKER: Senator 17 Constantine, do you still want this amendment? 18 We have the other amendment here that's 19 late-filed. 20 SENATOR CONSTANTINE: I prefer the other 21 amendment. 22 UNIDENTIFIED SPEAKER: So you want to 23 withdraw the amendment we're on? Withdrawn 24 without objection. Show the late-filed 25 amendment introduced without objection. Read</p>	<p style="text-align: right;">Page 89</p> <p>1 level of accountability that we have to get to 2 for these universities to grow to and high 3 standards so they ultimately can grow into the 4 tuition increase that at that point they will 5 deserve. So I do ask this chamber to please, 6 please do oppose Senator Constantine's 7 amendment. Thank you. 8 UNIDENTIFIED SPEAKER: Debate. Senator 9 Lynn. 10 SENATOR RING: Well-intended amendment. 11 Correct. 12 SENATOR LYNN: Thank you very much, 13 Mr. President. 14 I understand exactly that Senator 15 Constantine does want to do what's the best for 16 all schools. However, we have to look at 17 what's best for the entire state. 18 Members, we are not tiering schools. And 19 I think we want to make it very clear that's 20 not what this is all about. What we've tried 21 to do is exactly what we've talked about. 22 We're saying we're building Florida's future. 23 Building Florida's future means we set a high 24 benchmark for us in terms of economic 25 development, high tech, research in the medical</p>

<p style="text-align: right;">Page 90</p> <p>1 sciences, research in the high-tech sciences. 2 That's what we're trying to do. And so we have 3 identified, based on last year's legislation, 4 which you all voted for, that there would be 5 Level 1 schools based on the amount of money, 6 tremendous amount of money that they must 7 provide for research in addition to four other 8 categories, and they become Level 1 schools. 9 It's a high level. 10 Level 2 schools also are considered not as 11 high, not as much research but very close to. 12 So we're talking about a research base in all 13 of this. We're not tiering. It's just that 14 we've got that huge mission for research. The 15 Level 2 schools meet that -- all the 16 requirements but at a slightly lower amount of 17 money that they contribute to research. And 18 they meet others and they also look at doctoral 19 degrees, a high number of doctoral degrees at 20 not quite as high level. 21 Now, the intent is not to say that these 22 are different, better in any way. It's to say 23 that their huge mission and the money that they 24 put into is research. That's No. 1. 25 No. 2, you have had concerns, some of you</p>	<p style="text-align: right;">Page 92</p> <p>1 Now, FIU can probably reach that very 2 shortly, just as UCF can, but this is not the 3 year to do it. This is the year to pass this 4 bill as simply good policy and then have 5 everyone try to strive for it, if that's what 6 they choose to do. 7 I hope you will vote against the 8 amendment. 9 UNIDENTIFIED SPEAKER: We are in debate on 10 the amendment. Senator Oelrich in debate and 11 then Senator Constantine to close. 12 SENATOR OELRICH: Senators, you know, 13 we -- myself, Senator Lynn, especially myself 14 and Senator Ring, didn't set up these 15 standards. The Florida legislature set up 16 these standards of Level 1 and Level 2. We're 17 not saying that other schools someday might not 18 qualify and get into this program. But that's 19 not up to us. It's up to them. So I'm urging 20 you to defeat this amendment. 21 UNIDENTIFIED SPEAKER: Senator Constantine 22 to close. 23 SENATOR CONSTANTINE: And very briefly and 24 thank you for your indulgence. 25 What we need to remember and understand is</p>
<p style="text-align: right;">Page 91</p> <p>1 on the floor, because, oh, my goodness. Bright 2 Futures. And oh, my goodness. Higher tuition. 3 And that's why this year we're saying, if you 4 can't meet it, then you can't do it. It's only 5 for these three schools right now. That's 6 Florida State, University of Florida, and 7 University of South Florida. 8 Now, that's not to say if those other 9 schools are closer, which happened to be, by 10 the way, University of Central Florida, with 11 whom I have worked unbelievably closely in 12 crafting this, and that is the school that 13 Senator Constantine is worried about. But 14 their own lobbyist has said, no, no, no. We 15 support what you are doing. Take your time and 16 do it right that first year, and then we'll 17 work to see what we can do because we've said 18 you have to have at least two out of the five 19 requirements to get into this category. 20 And right now, FIU is the other school, 21 which happens to be Speaker Rubio's school, and 22 he's interested in getting that school in. But 23 we're trying to say we want to hold Florida's 24 feet to the fire in terms of high requirements 25 for major research.</p>	<p style="text-align: right;">Page 93</p> <p>1 that we have a number of great universities in 2 this state that many of us represent. And we 3 just need to ensure that we have a practical 4 way for these schools to reach these other 5 levels that they would like to use. And I do 6 not feel that in current -- by this bill and 7 the current law, that we have a streamlined 8 method that the University of Central Florida, 9 FIU, FAU, Florida A&M, West Florida, North 10 Florida can reach these other levels. Now, 11 hopefully it will be fixed. Hopefully it will 12 be fixed, but I just want everybody to know 13 that, currently, I feel that those universities 14 do not feel they have a streamlined pathway to 15 get to these other levels. 16 And I commend Senator Oelrich on the bill. 17 I supported his initial bill with the 18 University of Florida. I feel that this one 19 still has a long way to go. Thank you. 20 UNIDENTIFIED SPEAKER: All those in favor 21 of the amendment, signify by it saying aye. 22 UNIDENTIFIED SPEAKER: Aye. 23 UNIDENTIFIED SPEAKER: Nos, like sign. 24 UNIDENTIFIED SPEAKER: No. 25 UNIDENTIFIED SPEAKER: Amendment is not</p>

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1 adopted.
 2 Read the next amendment.
 3 UNIDENTIFIED SPEAKER: Not on the desk,
 4 Mr. President.
 5 UNIDENTIFIED SPEAKER: Senator Oelrich
 6 moves. Is there any questions, discussion on
 7 the bill? Senator Oelrich moves. And CS for
 8 Senate Bill 1710 be placed on final passage.
 9 Show that done without objection.
 10 Secretary, unlock the machine. And
 11 senators will prepare to vote on CS for Senate
 12 Bill 1710.
 13 All senators voted? All senators voted.
 14 All senators voted?
 15 Secretary, lock the machine. Record the
 16 vote.
 17 UNIDENTIFIED SPEAKER: 28 yeas, 10 nays,
 18 Mr. President.
 19 UNIDENTIFIED SPEAKER: So the bill passes.
 20 (End of transcription.)
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1 CERTIFICATE
 2
 3
 4 I, NINETTE BUTLER, Registered Professional
 5 Reporter, certify that I was authorized to and
 6 did stenographically report the foregoing
 7 proceedings and that the transcript is a true
 8 and complete record of what could be heard from
 9 the digital file that was supplied to me.
 10
 11 Dated this 25th day of April, 2017.
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 NINETTE BUTLER
 RPR, CRR, CRC, RSA, FPR
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25 (Pages 94 to 95)